

# EU Forest Watch

Informing NGOs, MEPs, Member States, the European Commission and the media

Issue 122 December 2007

## European Parliament passes resolution to end taxpayer support for fossil fuels projects

With a resounding majority, on 29 November 2007 the European Parliament passed a resolution on trade and climate change that calls for “the discontinuation of public support, via export credit agencies and public investment banks, for fossil fuel projects”.<sup>1</sup> The step was widely welcomed by environmental and development NGOs campaigning on export credit agencies (ECAs) and the European Investment Bank (EIB). Judith Neyer from FERN stated, “This is a powerful resolution and a great success for those campaigning against climate change.”

While the EU is negotiating reductions in

their own greenhouse gas emissions and emphasising the importance of reducing emissions in developing countries, their finance and trade agencies have so far largely ignored the climate implications of their activities. It is estimated that national finance institutions, known as ECAs, support approximately double the amount of oil, gas and mining projects of all multilateral development banks combined. The EIB is another of the largest public financiers of fossil fuels projects, supporting roughly €20 billion of projects in the last five years. These types of investments will contribute to climate change for the next 10 to 50 years.

The European Parliament has now decided to tackle and correct this policy incoherence by calling on the Commission and EU governments to propose legislative instruments that would force ECAs and the EIB to “take account of the climate change implications of the projects they finance” and to “impose a moratorium on funding until sufficient data are available”. The resolution also calls on financiers to redouble their efforts to transfer public funds to renewable energy and energy efficient technologies.

1. The full text of the resolution is available at: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2007-0576+0+DOC+XML+V0//EN&language=EN>

## Bali negotiations on track to fail forests

The rights of indigenous peoples have been way down the agenda at the United Nations Climate Change Conference. Indigenous peoples from around the world protested outside the climate negotiations wearing gags after their delegation was barred from entering. Alfred Ilenre of the Edo People of Nigeria stated, “There is virtually no mention of indigenous peoples in the more than 5 million words of UNFCCC documents.” This exclusion of indigenous peoples is of particular concern where governments and international donors talked about reducing emissions from deforestation because much of the remaining intact forests are home to indigenous peoples and forest-dependent communities.

Concern was also raised about the World Bank's failure to consult indigenous peoples on its Forest Carbon Partnership Facility (FCPF), launched at the conference on 11 December 2007. The new World Bank fund aims to establish a framework for trading carbon generated by slowing or halting deforestation to reduce emissions, even though the Bank has yet to say what exactly will be traded through the new fund. In an open letter<sup>1</sup>, over 60 NGOs expressed serious reservations about the capacity of the World Bank to deliver where previous Bank policies have failed - namely reducing rather than fueling deforestation.

One hundred protesters outside the World Bank launch also denounced the

Bank's poor track record in protecting forests and exposed the Bank's failure in consulting with indigenous peoples before launching this new fund.

It is positive that forest loss is of concern again to decision-makers and that governments acknowledge that the needs of local communities and indigenous peoples must be considered when action is taken to avoid emissions from deforestation and forest degradation. However, FERN is concerned that discussions at the climate meeting remained focussed on money rather than on identifying the other driving factors of deforestation or the actions needed to tackle these.

1. Available on <http://www.forestpeoples.org>



Published by FERN, the campaigning NGO for greater environmental and social justice, with a focus on forests and forest peoples' rights in the policies and practices of the EU.

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